

Essential Insurance Act; Testimony – Thursday, October 8, 2007.

Testimony by Pastor Eric Moore, Redemption Ministries, Plymouth, MI

Essential Insurance Act (HB 5250) sponsored by Representative Bettie Cook Scott (D-Detroit),
Thursday, November 8, 2007 at 10:30 am in the House Insurance Committee.

- The irony of my participation at this hearing.
 - 2006 Republican Party Social Conservative Coalition Director.
 - Was appalled at the oppressive rates being charged in Detroit. My friend, Pastor Stacey Foster pays over \$700 a month for two cars in spite of a perfect driving record.
 - Met and began to support Senator Martha Scott's legislative efforts.
 - Coordinated meetings with pastors, insurance industry leaders and legislators to find solutions.
 - Building a coalition of pastors to address this issue at both policy and grassroots levels.
- Fundamental Problem: Insurance Prices are beyond the financial capacity of many Detroiters.
 - Meeting with pastors and Insurance Institute of MI
 - Collision of two worlds – The World of Actuarial Tables v The World of Real People (trying to comply with MI laws)
 - Urban dwellers cannot solve this problem without help from the rest of the state.
 - Current situation began with the lifting of the 45% cap in 1996.
 - Cavalier attitude – Current Representative, “Why don't they just move?”
 - At best the current laws create a deep animosity toward their government.
 - At worst the current laws turn normally law abiding citizens into liars and criminals.
- Common Misperception about Insurance: I am personally responsible for the rates I pay.
 - Most rural and suburban people are not aware of the impact zip codes play in determining rates.
 - Conversations with suburbanites about urban rates – “You've got to be kidding!”
 - Current system makes people responsible for something they have no control over.
- Why you can support this legislation.
 - Most people already believe they are sharing the costs of insurance payouts from a large pool of insured people across the state.
 - Common sense constituents will understand this dilemma and applaud your support of a more just system.
 - You have my pledge that I will work at the grassroots level to address the issues driving up rates in the urban areas.